

Investor Protection Trust and Investor Education Fund Guidelines for Submission of Grant Letter of Inquiry And Request for Support by Commissioner

The Investor Protection Trust (IPT) is devoted to investor education. The primary mission of IPT is to provide consumers with the independent, objective information they require to make informed investment decisions.

The Investor Education Fund (IEF) is a fund established with contributions of certain settlement proceeds, paid directly to the IPT, as a result of the analyst conflicts-of-interest settlements. IEF is designated for investor education programs designed to provide consumers with the knowledge and skills necessary to make informed decisions and to increase their personal financial literacy.

The Office of Financial and Insurance Services (OFIS) strives to create a regulatory climate that promotes consumer protection, empowerment and education and ensures the financial services industry is safe, sound and entitled to the public trust.

Under the guidelines established by the IPT, a proposal to the IPT for a grant from the IEF is accepted by invitation only following the receipt by IPT of a meritorious Letter of Inquiry. The Letter of Inquiry must provide documented support for the grant proposal from the appropriate state securities administrator. Michigan applicants must obtain documented support for grant proposals from Commissioner Linda A. Watters.

Guidelines for the Letter of Inquiry can be found on the IPT web site of www.investorprotection.org. Applicants may also contact IPT President and CEO, Don Blandin via email at Blandin@investorprotection.org.

Commissioner Watters acknowledges the many outstanding financial literacy programs, sponsored by various governmental agencies and private organizations, currently available to Michigan consumers. The IEF is designed to fund programs for investor education and investor protection beyond existing programs.

When soliciting grant proposal support from Commissioner Watters, applicants should be mindful of Commissioner's goal that Michigan's portion of the IEF grant shall be used for outreach efforts targeting consumers in the underserved and financially challenged communities of Michigan.

The predominant purpose of the grant program proposal should be investor education or research on topics dealing with securities, investments and compliance with state and federal securities laws, designed to provide investors with the knowledge and skills necessary to make informed investment decisions. While grant proposal initiatives that also contain topics of general personal financial literacy will be considered for approval,

a significant portion of the subject matter of the grant program proposal initiative must contain topics relating to investor education.

Along with Letter of Inquiry guidelines established by the IPT, the following are OFIS guidelines for applicants seeking OFIS endorsement for grant program proposals.

- To encourage broad participation, no one entity will receive more than 20% of Michigan's annual grant amount. Michigan is expected to receive approximately \$1 million over a five-year period. The annual grant amount available to Michigan applicants will be approximately \$167,000.00.
- OFIS open enrollment period for acceptance of grant program proposals will be April 1 through May 15 of each calendar year.
- Program proposals shall cover a one-year program period. At the end of the funded year, OFIS endorsed programs will be evaluated for project outcomes and deliverables.
- Upon successful, demonstrated program outcomes, continued OFIS annual funding of a grant program will be considered. Applicants seeking continued program funding must electronically submit grant program proposals during the OFIS open enrollment period of April 1 through May 15 of each calendar year.
- OFIS will not endorse grant programs that encompass any charge to consumers for materials or participation.
- Greater consideration for endorsement will be given to grant programs that include a commitment from applicant, to provide staff and/or monetary contribution to the program.
- The request for OFIS endorsement of grant program proposals must be in memo format and include a brief outline of the program.
- Applicant's endorsement request memo, along with accompanying documentation as outlined in the IPT guidelines for Letter of Inquiry, must be forwarded electronically to ofis-sec-info@michigan.gov.
- A letter acknowledging receipt by OFIS of grant program proposals will be forwarded to applicants electronically.
- A notification letter from OFIS, stating acceptance or denial for grant program proposals, will be forwarded to applicants electronically no later than June 15 of each year.
- Questions pertaining to OFIS guidelines should be directed to Peg Beckwith at (517) 241-5519 or Toll Free at 1-877-999-6442.